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SIPDIS

DEPT PASS TO NRC

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TAGS: [CVIS](#) [ENRG](#) [ETTC](#) [IN](#) [KNNP](#) [KSCA](#) [PREL](#) [TRGY](#) [TSPL](#) [NSSP](#)

SUBJECT: NRC COMMISSIONER MERRIFIELD MEETS INDIAN FOREIGN SECRETARY SHYAM SARAN

SIPDIS

Classified By: DCM ROBERT BLAKE, REASON 1.4 (B, D)

1. (C) Summary: NRC Commissioner Jeffrey S. Merrifield and Indian Foreign Secretary Shyam Saran discussed India's energy future at a meeting in the Secretary's office in New Delhi on February 11, 2005. Saran told Merrifield that energy is a key strategic interest of India and nuclear power would be an important part of the energy mix that would fuel India's development. India would like more collaborations in the nuclear field, but a one-size-fits-all policy does not appear to accommodate realities on the ground. Merrifield underscored the importance of the World Association of Nuclear Operators (WANO) peer review process to improve the safety and operation of nuclear power plants. Merrifield promised he would articulate in Washington the quality and progress of nuclear power generation efforts in India and the role nuclear power is expected to play in the energy future of India. End summary.

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Saran: Energy at the Top of Indian Agenda  
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2. (C) Saran told Merrifield that he was in Washington in November and had very useful discussions with now Secretary of State Condoleezza Rice. He discussed with Rice the need to look at India's energy situation and the necessity to take a comprehensive look at the U.S.-India nuclear relationship. India has had a similar dialogue with the European Union, the relation of India with the Nuclear Suppliers Group (NSG), and a call to greater openness to look at India's aspirations in the nuclear energy field.

3. (C) Saran told Merrifield that the U.S and India need to move the nuclear agenda forward. There is a long history of US-India cooperation on nuclear matters and now India has developed significant capabilities. Saran said India is looking forward to economic growth of 8-10% per annum, which will place significant demands on the energy sector.

4. (C) Saran said that given the fact that energy security is at the top of the agenda of the current government, India hopes to continue dialogue on energy related matters. Ambassador Mulford has met with Petroleum Minister Mani Shankar Aiyar, there is a new Secretary of Energy who is familiar with India, a sustainable development summit just took place in India, and the Prime Minister has said that he hoped to raise India's energy agenda to the Joint Summit. The PM has invited India, China and South Africa to join hands in looking at future energy needs.

5. (C) Saran said China is now a major energy consumer and China and India, in a short period, will be putting significant pressure on world energy markets. Thus, it is doubtful that the country will be able to sustain growth relying only on fossil fuels. Nuclear power is a definite option for India but there are issues related to fuel supplies. In this regard, India's task of sustaining economic growth will be simpler if it has cooperation from the U.S.

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Saran: One-Size-Fits-All Policies are a Big Challenge  
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6. (C) Saran remarked that, in his view, there is insufficient appreciation in the U.S. on how far India has come. India would like to encourage more interaction but has come against some barriers. One of the challenges is dealing with a one-size-fits-all U.S. policy that does not appear to accommodate realities on the ground.

7. (C) India has no record, Saran said, of being involved in any untoward behavior. This is not because of U.S. pressures, but because such behavior is not in India's national interest. India is developing new export controls and looking at export control methodologies as India could profit from U.S. experience in these matters. India wants very badly to overcome obstacles that stand in the way of implementing the NSSP. India would very much like

Commissioner Merrifield to tell U.S. policymakers about what he saw in India and would value Commissioner Merrifield's advice on how to move forward.

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Commissioner Merrifield: India is a Senior Partner in Nuclear Power Generation  
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18. (C) Merrifield told Saran that for this visit, NRC personnel split into two teams. One team carried out detailed technical discussions in Mumbai, while the Commissioner and Deputy Director Doane traveled on to Rajasthan to visit the Rajasthan Atomic Power Station facilities.

19. (C) Merrifield told Saran that the visit was very good and very positive and that he was delighted about participation of the Nuclear Power Corporation of India Limited (NPCIL) in the WANO where Americans and others come together to benchmark safety practices and operations of nuclear power plants among peers.

110. (C) Merrifield said that since becoming a Commissioner, he has learned that the worldwide nuclear industry is a very small fraternity. In his view, direct interactions through WANO, for example, have resulted in significant improvements in the safety and operations of the nuclear power sector. Thus, putting nuclear power generation in the hands of an enterprise like NPCIL, which interacts with the nuclear power industry elsewhere, bodes well for the future of nuclear power in India.

111. (C) In addition, the manner in which India is achieving milestones in bringing nuclear power plants on-line, on time, and within budget, provides great credibility to the Indian program. Thus, NRC looks forward to enhanced, new levels of interactions.

112. (C) The Commissioner told Saran that NRC and AERB want to identify AERB personnel who can come to NRC and work shoulder-to-shoulder on technical issues related to nuclear power plant safety. NRC will also encourage the visit of AERB scientists to national labs. NRC is aware of India's nuclear reactor design capabilities and India's wish to participate in design of a new generation of reactors. He understands India's desire to engage in benchmarking NRC codes against AERB codes, a process from which NRC and AERB could benefit.

113. (C) With regard to NSSP, NRC participates as a regulatory agency. NRC is clearly pleased with the progress of an NRC-AERB dialogue and the mutual benefit that it brings to both agencies. Merrifield told Saran that even within NSSP and within NSG guidelines, nuclear safety knows no boundaries. Progress in the NRC-AERB relationship should remain focused on enhancing civilian nuclear reactor safety.

114. (C) Now, as it relates to nuclear energy, India is a senior partner at the table, Merrifield said. Unfortunately, many of those who make rules for U.S.-India interactions have little understanding of nuclear safety and what it takes to operate a nuclear power station in an efficient, cost-effective and yet safe, manner that protects the public as well as the environment from undesirable effects. Merrifield told Saran that a backward looking legislative framework needs to be brought up to date as this framework prescribed a nuclear relationship between the U.S. and India at the time when India did not have any significant nuclear capability.

115. (C) Merrifield said that, speaking for his own agency, he views NSSP as an interactive process. Thus, in order to move the NSSP inter-agency process forward it would be ideal to have some bilateral progress. Merrifield told Saran that he would be meeting with DOE officials and that he would make sure that the new DOE Secretary is aware of India's energy concerns. NRC, as a regulator, oversees various nuclear activities, including safeguarding of nuclear materials, so there are further items of mutual interest that NRC could share.

116. (C) This being said, NRC is a unique agency where the Presidential appointees have an extraordinary level of independence. As NRC must recoup 90 percent of its operating costs from the industry it regulates, it is always challenging for NRC to find funds to carry out bilateral cooperation. Notwithstanding this challenge, the NRC is committed to collaboration with India, Merrifield told Saran.

117. (C) Saran commented that he is very encouraged that India also will "put its money where its mouth is", that India is encouraged by the Commissioner's words, but still there are mental and psychological barriers to be broken.

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Meeting Participants

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118. (C) NRC Commissioner Jeffrey S. Merrifield  
NRC Deputy Director Margaret Doane  
DCM Robert Blake  
SciCouns Marco Di Capua  
PolCouns Geoffrey Pyatt  
Foreign Secretary Shyam Saran  
Dr. S. Jaishankar, Joint Secretary, US and Canada, MEA  
Santosh Jha, Deputy Secretary, US and Canada, MEA

119. (C) NRC Commissioner Merrifield cleared this cable.

MULFORD